GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:6261
ANSWERED ON:06.05.2005
CLOSURE OF SMALL TEXTILE MILLS
Murmu Shri Hemlal

Will the Minister of TEXTILES be pleased to state:

(a) the steps taken by the Government to promote textile mills in the country particularly in Jharkhand and Bihar so for;

(b) if so, the details thereof;

(c) whether the Government proposes to set up a carpet weaving centre in Jharkhand; and

(d) if so, the details thereof?

Answer

MINISTER OF TEXTILES(SHRI SHANKERSINH VAGHELA)

(a) & (b)The important steps taken by the Government to promote textile mills in the country including the states of Jharkhand and Bihar are mentioned in Annexure-I.

(c)No, Sir.

(d)Does not arise.

Annexure-I

Important steps taken by Government to promote textile mills in the country

To improve productivity and quality of cotton for manufacture and export of competitive downstream textile products, Government has launched the Technology Mission on Cotton (TMC). The Mission has achieved success in increasing the productivity and reducing the contamination through upgradation of cotton market yards and modernisation of Ginning & Pressing factories.
The Technology Upgradation Fund Scheme (TUFS) was launched to facilitate the modernisation and upgradation of the textile industry both in the organised and unorganized sector. The Scheme has been further fine tuned to increase the rapid investments in the targeted sub-sectors of the textile industry. The cost of machinery has been further brought down by reducing the customs duty on imports.
For speedy modernisation of the textile processing sector, Government has introduced w.e.f. 20.04.05, a credit linked capital subsidy scheme @10% under TUFS, in addition to the existing 5% interest reimbursement.
"Apparel Parks for Exports Scheme" has been launched with a view to imparting focused thrust for setting up of apparel manufacturing units of international standards at potential growth centres and to give fillip to exports. Under the Scheme, Government gives grant upto Rs.17 crores per apparel park for infrastructure work, training and common facilities.
In 2004-05 Budget, the entire textile sector, except for man-made fibre and filament yarn was provided optional exemption from excise duty. In 2005-06 Budget, Central Value-aided Tax (CENVAT) on Polyester Filament Yarn has been reduced from 24% to 16%. These modifications in fiscal levies aim at attracting more investments for modernization of textile sector.
To facilitate import of state of the art machinery to make our products internationally competitive in post quota regime, in 2005-06 Budget, the customs duty on textile machinery has been brought down to 10% except 23 machinery appearing in List 49 which attracts Basic Customs Duty (BCD) of 15%. The concessional duty of 5% continues to be at 5% on most of the machinery items.
Government has launched the Debt Restructuring Scheme w.e.f. Sept., 2003 with the principal objective to permit banks to lend to the textile sector at 8-9% rate of interest.
Liberal foreign direct investment (FDI) policy has been introduced for attracting investment in the textile sector. Government has allowed foreign equity participation upto 100% through the automatic route with certain exceptions.
In order to cater to the growing skilled manpower requirements at shop floor level, Government is providing assistance for strengthening existing and opening new Apparel Training and Design Centres (ATDCs).
National Institute of Fashion Technology (NIFT) has been set up to provide the leadership role in sensitizing the Industry to the concept of value addition by inducting trained professionals to manage the industry. This has resulted in an increased demand for trained professionals in various sectors servicing the industry.